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STATE OF MICHIGAN



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DEPARTMENT OF TRANSPORTATION

TRANSPORTATION BUILDING, 425 WEST OTTAWA POST OFFICE BOX 30050, LANSING, MICHIGAN 48909

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JAMES R. DeSANA, DIRECTOR

March 15, 2000

The Honorable Philip E. Hoffman, Chair
Senate Appropriations Subcommittee
on Transportation
P.O. Box 30036
Lansing, Michigan 48909

The Honorable Judith Scranton, Chair
House Appropriations Subcommittee
on Transportation
P.O. Box 30014
Lansing, Michigan 48909

Dear Senator Hoffman and Representative Scranton:

Enclosed is a copy of the Michigan Department of Transportation's response to the requirements found in our boilerplate language regarding Section 709. This language required the department to report how the appropriation for the ridesharing and vanpooling programs were expended over the last five years and to assess the program's effectiveness during that time period. It also required the department to competitively bid each grant awarded under these programs.

If you have any questions or comments regarding this report, feel free to contact me or Philip F. Kazmierski, Deputy Director, Bureau of Urban and Public Transportation, at 373-2282.

Sincerely,

A handwritten signature in black ink, reading "James R. DeSana".

James R. DeSana
Director

Enclosure

UPT:TSS:LF:ng

cc: Subcommittee
G. Rosine
P. Kazmierski
W. Niles
T. Horsfall
E. Timpf
T. Pohl
K. Grimes
K. Johnson
L. Funk
A. Payne

Copies to:

The Honorable Leon Stille
The Honorable Joe Young, Jr.
The Honorable Steve Pestka
The Honorable Thomas H. Kelly
The Honorable David C. Mead
The Honorable Keith B. Stallworth
The Honorable Ron Jelinek
The Honorable William Byl
The Honorable Jon Jellema
W. Hamilton
W. Bowerman

REPORT
TO THE
LEGISLATURE

SECTION 709

RIDESHARE AND VANPOOL PROGRAM

MICHIGAN DEPARTMENT
OF
TRANSPORTATION

BUREAU OF URBAN AND PUBLIC TRANSPORTATION

Philip F. Kazmierski
DEPUTY DIRECTOR

March 2000

MICHIGAN STATE TRANSPORTATION COMMISSION

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Comprehensive Transportation Fund - Section 709

Reprinted from SB No. 372

(1) By March 31, 2000, the department shall submit a report to the house and senate appropriations subcommittees on transportation and to the house and senate fiscal agencies on the ridesharing and van pooling programs. The report shall describe how the appropriations for this program were expended in the last 5 years and assess the program's effectiveness during this period.

(2) The department shall utilize competitive bidding for each grant awarded under subsection (1).

INTRODUCTION

The Michigan Department of Transportation (MDOT) has administered a Rideshare Program since 1974. The program was mandated by the Legislature through Public Act 557 of 1978. The purpose of the program is to promote carpooling and vanpooling for the work commute trip. Program benefits include the reduction in energy consumption, traffic congestion, air pollution, and parking problems.

The rideshare program was historically administered by the Bureau of Transportation Planning (BTP). However, the program was transferred to the Bureau of Urban and Public Transportation (UPTRAN) in 1998. This transition allows for better coordination with public transportation agencies. It has also enabled inclusion of this program with transportation to work initiatives that are being provided as part of the state's welfare reform effort.

PART I - RIDESHARE PROGRAM

PROGRAM OVERVIEW

Ten Local Rideshare Offices (LROs) receive grants from state and/or federal funding sources. Geographic regions of each LRO are provided in Attachment A. The LROs promote the rideshare program to employers and the general public. Each office offers basic services and participates in activities initiated by MDOT. A program summary is as follows:

Program Funding

A five year summary of funding for each of the LROs is provided in Attachment C. Comprehensive Transportation Fund (CTF) levels have risen modestly with the FY99 appropriation remaining at FY98 levels. Surface Transportation Funds (STP) have steadily been replaced with Congestion Management Air Quality (CMAQ) funds over this five year period. In addition, over the last three years CMAQ funds have grown to provide additional support for the rideshare program. It should be noted, however, that CMAQ funds are only eligible to be used in the following 10 counties: Kent, Livingston, Macomb, Monroe, Muskegon, Oakland, Ottawa, St. Claire, Washtenaw, and Wayne.

During FY1999 a review of all funding sources for the rideshare program was conducted to determine if federal funding sources were being utilized to the extent possible. Based on this evaluation, it was determined that the state CTF monies appropriated for the SEMCOG rideshare program could be converted to federal CMAQ dollars. Therefore, a request has been made to the Federal Highway Administration for CMAQ monies to be used in southeastern Michigan. If approved, this will allow CTF dollars to be reallocated to expand the rideshare program into areas currently not being served.

Annual Application Process

A Request for Proposal (RFP) was not used to solicit bids for rideshare grants due to the fact that this program is administered through Metropolitan Planning Organizations, Regional Planning Agencies, or local transit agencies. An annual application process is used whereby LROs apply for funding. This included a framework for developing a budget, a staffing plan, marketing goals and objectives, and technology assessment. It also included incorporation of the Guaranteed Ride Home (GRH) Program, which is designed to offer transportation to commuters who need to leave work suddenly due to personal or family illness, is requested to work after hours, or whose carpool/vanpool driver had to leave unexpectedly.

Revised Reporting Requirements

Tracking of individuals to determine if they are carpooling continues to be a barrier. Therefore, a standardized reporting format to gauge the number of employers and employees that were presented with rideshare information has been implemented. In addition, with the introduction of the GRH program for each LRO, assessing the impact of the overall program and promotions will be easier to monitor.

Improvement of Rideshare Program Highway Signs

An inventory of the highway signs informing motorists of the program was completed. Of the 10 existing LROs, three do not have highway signs. It was determined that highway signs were the primary generator of inquiries at the seven LROs with signs. It was also determined that the number of active carpoolers and vanpoolers in the regions without signs was significantly lower.

During 1998, signs for the Ann Arbor LRO, which is housed at the Ann Arbor Transportation Authority, were updated with a new logo based sign standard. The feedback has indicated that the use of a logo in conjunction with a phone number has resulted in commuters gaining a better understanding that ridesharing is a service for people who commute daily to work. Consideration was given to updating the existing signs as well as providing new signs for the remaining three LROs. A request for Oil Overcharge monies has been made to secure funds that will be needed to accomplish this project.

Implementation of the Federal Commuter Choice Program

The federal Commuter Choice Program was identified as being a significant tool to working with employers to provide both the employer and its employees with a tax savings program when using transit or vanpooling to get to work. The primary barrier to implementation was inconsistent information on this program in regards to employer reporting and record keeping requirements. MDOT is committed to implementing a statewide Commuter Choice Program through the LRO network and in coordination with federal initiatives.

PROGRAM EVALUATION

The actual number of individuals utilizing carpooling for the work trip commute was not tracked during FY94-98. For FY99 it is estimated that there were 1,508 clients requesting to be matched into carpools with approximately 540 carpools produced and active. Estimated numbers are used due to the difficulty in tracking the actual number of carpools based on FY1999 program requirements. The Detroit and Grand Rapids LROs offered GRH programs, which required that carpools be registered and the information be kept up to date. For the remaining LROs the only mechanism available to track this information were surveys that were distributed and returned.

Promotional campaigns focused on employers and the general public are the primary mechanism for getting people to participate in shared ride arrangements. Promotions through employers generally yield more interest than promotions geared to the general public and attract individuals to submit a ridernatch application to their LRO. The following is a summary of promotions that have been used over the last five years to promote the program:

- Promotional campaigns were targeted to large employers. (Geographical Information System (GIS) mapping of various employer's workforce in relationship to carpools, vanpools, and transit services operating in the region was utilized by some LROs.)
- Assisted new employers with promoting transportation options to new employees in areas where parking is limited or unavailable.
- General promotions held during "Transportation Week," "Try Transit Week," transportation and job fairs, and Work First! orientation sessions.
- LRO specific radio, newspaper, and billboard advertisements.
- Joint regional advertising by LROs to target commuting corridors.
- Participated on committees and planning groups involved in congestion management.
- Provided carpool/vanpool matching services.
- Conducted surveys and updated rideshare databases.
- Provided referrals to other LROs, the vanpool contractor, and transit providers.
- Distributed information at carpool parking lots.
- Updated and distributed promotional literature.

PART II - VANPOOL PROGRAM

PROGRAM OVERVIEW

The MDOT administered vanpool program, which began in 1980, is commonly known as *MichiVan*. The program is contracted with VPSI, Inc. located in Farmington Hills, Michigan. *MichiVan* provides vehicles to qualified groups of seven or more individuals. The program is open to any person with one leg of a work commute trip occurring in Michigan.

Vanpool groups pay VPSI, Inc. a set monthly fee based on mileage, insurance, and maintenance. The per passenger cost is based on the monthly lease price divided by the number of active passengers. The program is self-supporting with the exception of administrative and marketing costs.

On September 30, 1999 the multi-year vanpool contract held by VPSI, Inc. expired. Therefore, MDOT sent out a *Request for Proposal (RFP) for Vanpool Service* to 16 identified service providers throughout the United States. VPSI, Inc. was the sole respondent. A three year contract with the option to renew for an additional three years was negotiated. Base funding for operating and marketing programs to be funded with CTF and CMAQ monies are \$237,649 (FY2000), \$267,041 (FY2001), and \$271,831 (FY2002).

As part of the bid process, several programmatic changes were proposed to modernize the *MichiVan* program to serve non-traditional vanpool population groups. Due to contractual requirements, not all of these items were implemented in FY99. However, they were included in the RFP and incorporated into the new multi-year contract. The following is a description of each of these items.

Traditional vs. Non-Traditional Vanpool Groups

The traditional vanpool program was based on the premise of gathering an interested group of individuals who desire to commute together, with one or more persons volunteering to drive the van, from home to work and back. The route and miles traveled remained constant. Insurance and maintenance were included in the lease price of the van. However, an emerging trend in vanpooling has occurred where the following needs are expressed:

- transportation to work for Michigan Works! or staffing agency clients that requires vans to be used as a shuttle making multiple trips each day without a fixed route;
- employers who own several businesses in a region that require the van to make multiple pick-up and drop-off points;

- employers' desire to insure the van under their fleet insurance policy and/or perform the needed maintenance at their business facility; and/or
- the employers need to hire a paid driver to operate the vanpool.

Each of these instances has prompted the need to re-classify the agreements that are signed between the vanpool driver or sponsoring agency and VPSI, Inc. This ensures that proper use of the vehicle is being met and the appropriate insurance is being provided.

The reclassification of several vanpool agreements was performed in early 1999. An increase in the insurance costs for vans that are used as a shuttle for the work commute trip resulted. Due to this increase, several vanpool groups used by staffing agencies terminated. VPSI, Inc. has remained committed to rebuilding the fleet by providing vanpoolers, and employers with more options when negotiating a pricing plan.

Marketing Program

A review of past performance of the program revealed that a formal marketing plan for promoting the *MichiVan* program was not developed. Therefore, it was difficult to assess the historical impact that marketing dollars have had on specific regions of the state. Based on this information, a statewide marketing plan is required in FY2000 that includes a component targeting the welfare-to-work population.

In conjunction with IVIDOT, VPSI, Inc. will implement a series of vanpooling marketing initiatives in coordination with the LROs to assure that the vanpool message is being consistently conveyed. The plans, created with the LROs, will comprise a portion of the statewide marketing plan for FY2000. VPSI, Inc. will market directly to regions of the state not represented by a LRO.

Employment Mobility Enhancement Program

This program was designed to offset a portion of the monthly costs of operating a vanpool. The subsidy is structured to decline on a quarterly basis to provide an incentive for the vanpool group to become self-sustaining at the end of one year. Specific only to CMAQ regions, this is used to enhance mobility for captive riders where fixed route bus service is not available and/or feasible. The program is also used to fill voids in welfare-to-work transportation initiatives. Beginning in FY2000, a new contract will be developed that addresses guidelines for maximizing the resources of this program. Efforts to secure alternative funding sources to offer this program statewide are being sought.

PROGRAM EVALUATION

A five year review of the *MichiVan* fleet revealed that no information was maintained concerning fleet size during a portion of this period. Furthermore, data detailing the fleet mix (7-, 9-, and 15-passenger vans) to determine ridership and reductions in vehicle miles traveled is unable to be provided. The table below shows the information that can be substantiated during this five year period.

VANPOOL STATISTICS					
	FY 1996	FY 1996	FY 1997	FY 1998	FY 1999
Total Vans in Operation		96 Vans			74 Vans
Fleet Mix					20 - 7 Passenger Vans 1 - 8 Passenger Van 11 - 9 Passenger Vans 42-15 Passenger Vans
Ridership		96 Drivers 1,152 Riders			74 Drivers 803 Riders
Annual Reduction in Vehicle Miles Traveled*					17,344,800 Miles

*Based on average round trip mileage of 90 miles and 240 work commute trips per year.

A five year summary of funding revealed that the primary funding sources were CTF and CMAQ monies. CTF monies were used to fund the operational component of the program. CMAQ monies were used to fund promotional activities and an Employment Mobility Enhancement Program in the following CMAQ non-attainment/maintenance areas: Kent, Macomb, Monroe, Muskegon, Oakland, Ottawa, St. Clair, Washtenaw, and Wayne Counties.

MDOT is continuing to seek eligibility determinations where CMAQ funds can be used to enhance the program in these heavily congested regions. This will allow CTF monies currently dedicated to the vanpool program to be utilized for other rideshare program initiatives. The funding breakdown is as follows:

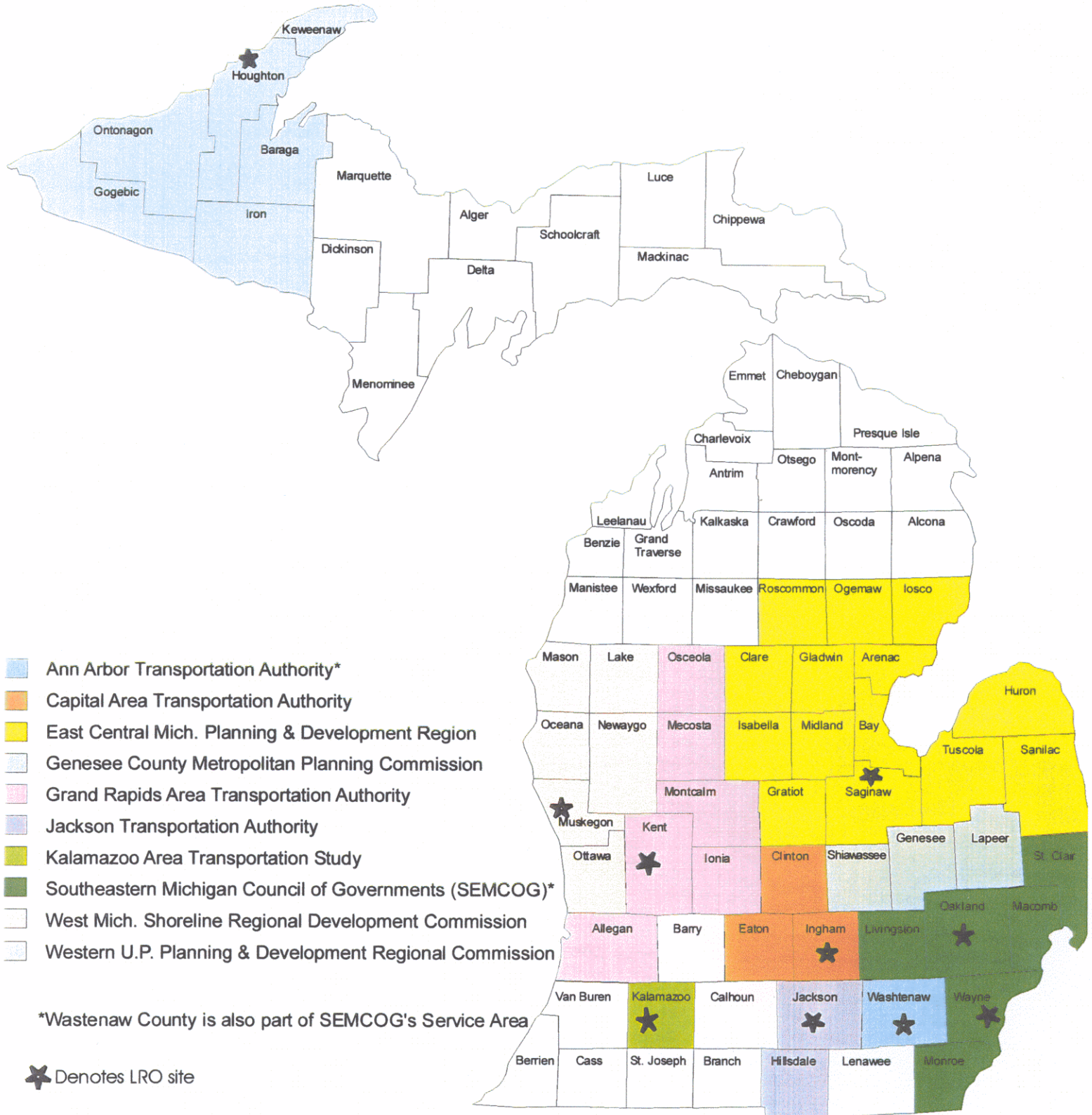
FIVE YEAR VANPOOL FUNDING SUMMARY					
Vanpool Purpose	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Operational (CTF)	125,000	125,000	125,000	145,000	145,000
Operational (STP)	7,020				
Promotional (CMAQ)			62,500	62,500	85,000
Promotional (Oil Ovchg.)				37,500	
Empty Seat Subsidy		60,000			
Employment Mobility Enhancement Program (CMAQ)		<u>195,000</u>	<u>195,000</u>	<u>195,000</u>	
Total	\$132,020	\$380,000	\$382,500	\$440,000	\$230,000

SUMMARY

Efforts have been made to eliminate barriers that may be preventing commuters from joining a carpool or a vanpool. The coordination between VPSI, Inc. and the LROs to maximize funding resources has resulted in a more effective rideshare program. By strengthening this relationship and providing LROs with the necessary training and resources, promotion of the *MichiVan* program will be enhanced. Based on this effort, MDOT believes that the rideshare program is positioned to strengthen and grow in the future.

ATTACHMENT A

Local Rideshare Offices (Geographic Service Area)



LOCAL RIDESHARE OFFICES

Updated 3/6/2000

RIDESHARE MDOT - Angie Payne paynea@mdot.state.mi.us (517) 335-2553 Phone (517) 373-7997 Fax http://www.mdot.state.mi.us	CARPOOL PARKING LOTS MDOT - Amy Lindstrom lindstroma@mdot.state.mi.us (517) 335-1510 Phone (517) 373-9255 Fax
Ann Arbor Transportation Authority (The Ride) 2700 South Industrial Hwy. Ann Arbor, MI 48104 http://theride.org/rideshare.html	Phone: 734/973-6500 FAX: 734/973-6338 734/677-3901 Mary Stasiak (mstasiak@theride.org) Lois Crawford (lcrawford@Meride.org) 734/677-3916
Capital Area Transportation Authority 4615 Tranter Avenue Lansing, MI 48910 http://www.cata.org	Phone: 517/393-RIDE FAX: 517/394-3733 517/394-1100 Debbie Alexander (dalexander@cata.org) VACANT
East Central Michigan Planning & Development Region 3535 State Street Saginaw, MI 48602 http://www.concentric.net/~ecmpdr.index.htm	Phone: 517/797-0885 FAX: 517/797-0896 Phil Grimaldi (ecmpdr@concentric.net)
Genesee County Metropolitan Planning Commission 1101 Beach Street Flint, MI 48502	Phone: 810/233-RIDE FAX: 810/257-3185 Stan Brantley (sbrantley@co.genesee.mi.us) 810/766-6567
Grand Rapids Area Transit Authority (Ridefinders) 60 Monroe Street Grand Rapids, MI 49503 http://www.grata.org	Phone: 616/458-7283 FAX: 616/456-1941 616/774-1188 MaryAnn Ferris (mferris@grata.org)
Jackson Area Transportation Council Jackson/Hillsdale RideShare 2350 East High Street Jackson, MI 49203-3490	Phone: 517/788-7844 FAX: 517/787-6833 Dave Vassal (vassal.dave@acd.net)
Kalamazoo Area Transportation Study 3801 E. Kilgore Kalamazoo, MI 49001	Phone: 616/342-RIDE Toll Free: 877/202-1030 Kathy Carrier (kazooride@aol.com) FAX: 616/381-1760
Southeast Michigan Council of Governments (Alternative Commute) 660 Plaza Drive, Suite 1900 Detroit, MI 48226 http://www.semco.org/programs/services/rideshare	Phone: 313/963-RIDE FAX: 313/961-4869 313/961-4266 Anita Blasius (blasius@semcog.org) Eve Pidgeon (pidgeon@semcog.org) Iris Steinberg (steinberg@semcog.org) 313/961 -4266
West Mich. Shoreline Regional Develop. Commission 137 Muskegon Mall Muskegon, MI 49443-0387 http://www.wmsrdc.org	Phone: 231/722-RIDE FAX: 231/722-9362 Amy Peabody (apeabody@wmsrdc.org)
Western U.P. Planning & Develop. Regional Comm. P.O. Box 365, 326 Sheldon Avenue Houghton, MI 49931	Phone: 906/482-7205 FAX: 906/482-9032 Matt Koss (makoss@up.net)
Vanpool Offices/Coordinators of MichiVan VPSI, Inc. 31500 W. 13 Mile Road, Suite 215 Fannington Hills, MI 48334-2172 http://www.vpsiinc.com/	Phone: 248/539-0627 Toll Free: 800/VAN-RIDE FAX: 248/539-0961 Larry Swart (lswart@vpsiinc.com) Niaya Carter (ncarter@vpsiinc.com) VACANT

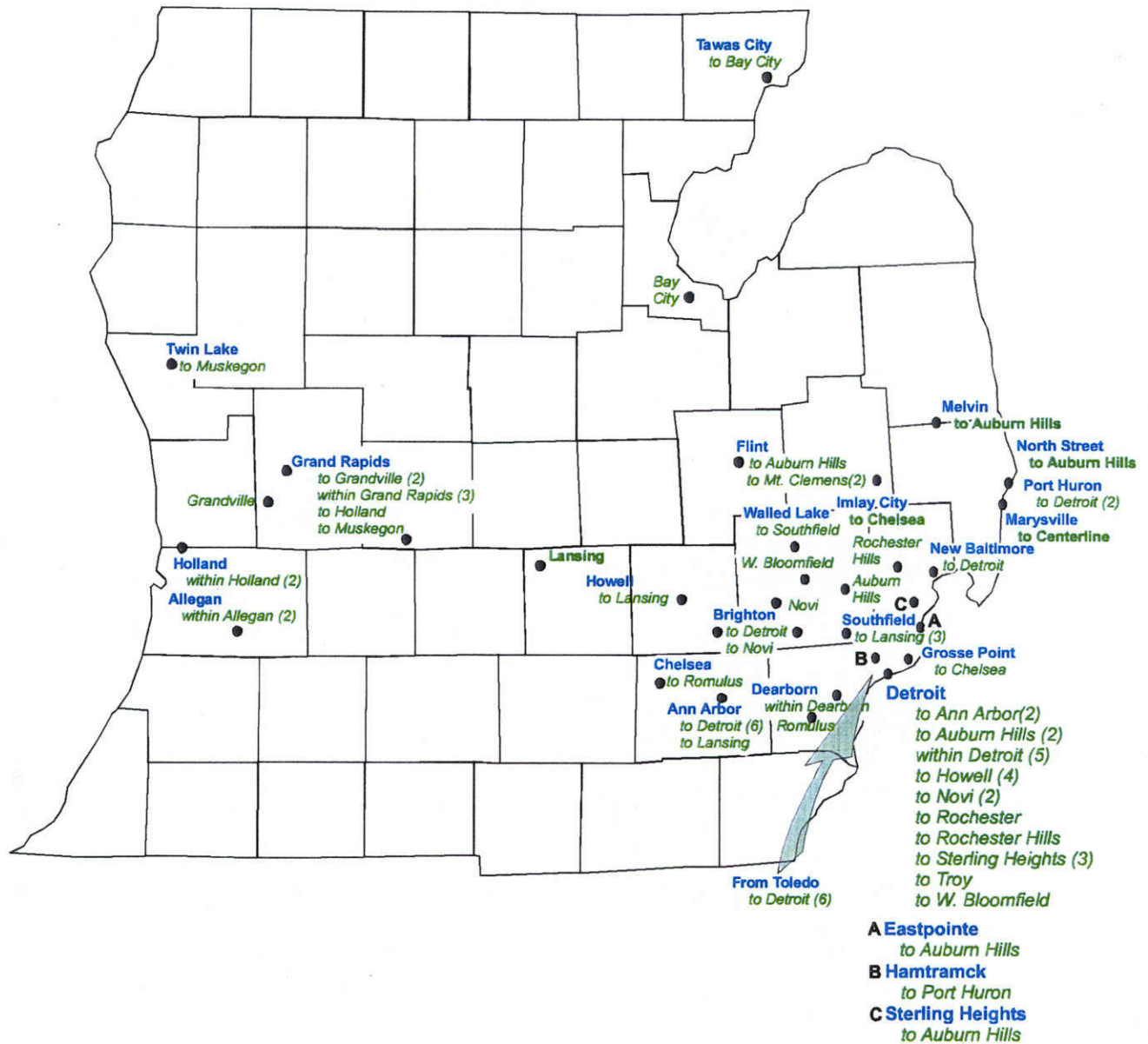
ATTACHMENT C
Rideshare Program
Five Year Funding Summary

PROGRAM	FY1995	FY1996	FY1997	FY1998	FY1999
Ann Arbor					
CTF	\$21,000	\$21,000	\$21,000	\$32,800	\$32,800
Local	<u>15,213</u>	<u>43,815</u>	<u>41,182</u>	<u>19,863</u>	<u>17,334</u>
Total	\$36,213	\$64,815	\$62,182	\$52,663	\$50,134
Bay Area - Oil Overcharge - Feasibility Study	\$17,700				
Capital Area					
CTF	\$26,250	\$26,250	\$26,250	\$32,800	\$32,800
STP	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>	<u>30,000</u>
Total	\$56,250	\$56,250	\$56,250	\$62,800	\$62,800
East Central					
CTF	\$21,000	\$21,000	\$21,000	\$26,250	\$26,250
Local	<u>3,294</u>	<u>5,474</u>	<u>5,637</u>	<u>4,286</u>	<u>654</u>
Total	\$24,294	\$26,474	\$26,637	\$30,536	\$26,904
Genesee					
CTF	\$26,250	\$26,250	\$26,250	\$32,800	\$32,800
STP	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>32,800</u>	<u>32,800</u>
Total	\$51,250	\$51,250	\$51,250	\$65,600	\$65,600
Grand Rapids					
CTF	\$31,400	\$31,400	\$31,400	\$32,800	\$32,800
STP	<u>45,000</u>	<u>45,000</u>	<u>45,000</u>	<u>\$55,000</u>	<u>\$55,000</u>
Total	\$76,400	\$76,400	\$76,400	\$87,800	\$87,800
Jackson					
CTF	\$21,000	\$21,000	\$21,000	\$26,250	\$26,250
Local	<u>2,905</u>	<u>2,905</u>	<u>2,856</u>	<u>2,871</u>	<u>2,888</u>
Total	\$23,905	\$23,905	\$23,856	\$29,121	\$29,138
Kalamazoo					
CTF	\$21,000	\$21,000	\$21,000	\$26,250	\$26,250
Local	<u>2,000</u>	<u>11,000</u>	<u>3,242</u>	<u>3,039</u>	<u>7,154</u>
Total	\$23,000	\$22,000	\$24,242	\$29,289	33,404
Southeast Michigan ¹					
STP	\$ 27,589		\$ 21,880	\$ 9,490	
CMAQ	190,530	\$210,184	254,935	108,718	\$183,146
CTF (pass thru from SMART)	<u>94,500</u>	<u>94,500</u>	<u>94,500</u>	<u>94,500</u>	<u>94,500</u>
Total	\$312,619	\$304,684	\$371,315	\$212,708	\$277,646
West Michigan					
STP	\$25,000	\$20,000	\$30,000	\$30,000	
CMAQ					\$37,500
Local		<u>5,000</u>			
Total		\$25,000			
Western Upper Peninsula					
Oil Overcharge	\$20,000	\$20,000	\$20,000		
CTF				\$26,250	\$26,250
5 Year Funding Summary by Source					
Oil Overcharge	\$ 37,700	\$ 20,000	\$ 20,000		
CTF	262,400	262,400	262,400	\$330,700	\$330,700
STP	152,589	120,000	151,880	157,290	117,800
CMAQ	190,530	210,184	254,935	108,718	220,646
Local	<u>23,482</u>	<u>58,194</u>	<u>52,917</u>	<u>30,059</u>	<u>28,030</u>
Total	\$666,701	\$670,778	\$742,132	\$626,767	\$697,176

¹ Figures based on actual reported expenditures per audit based on SEMCOG fiscal year of July 1 through June 30.

Vanpool Routes

January 2000

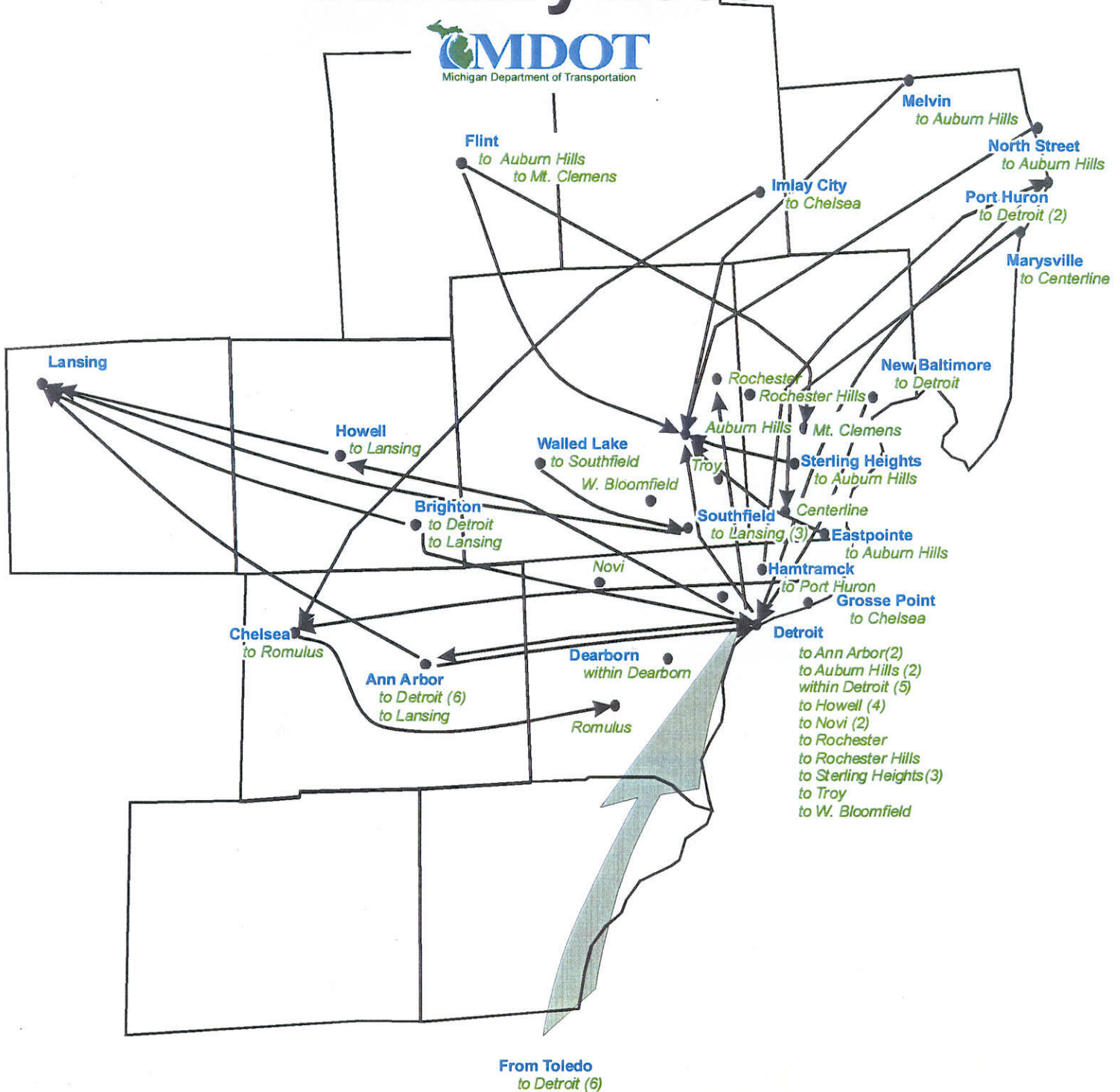


LEGEND	Origins in Blue Ink Destination Green Ink
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ATTACHMENT E

Eastern Destinations

January 2000



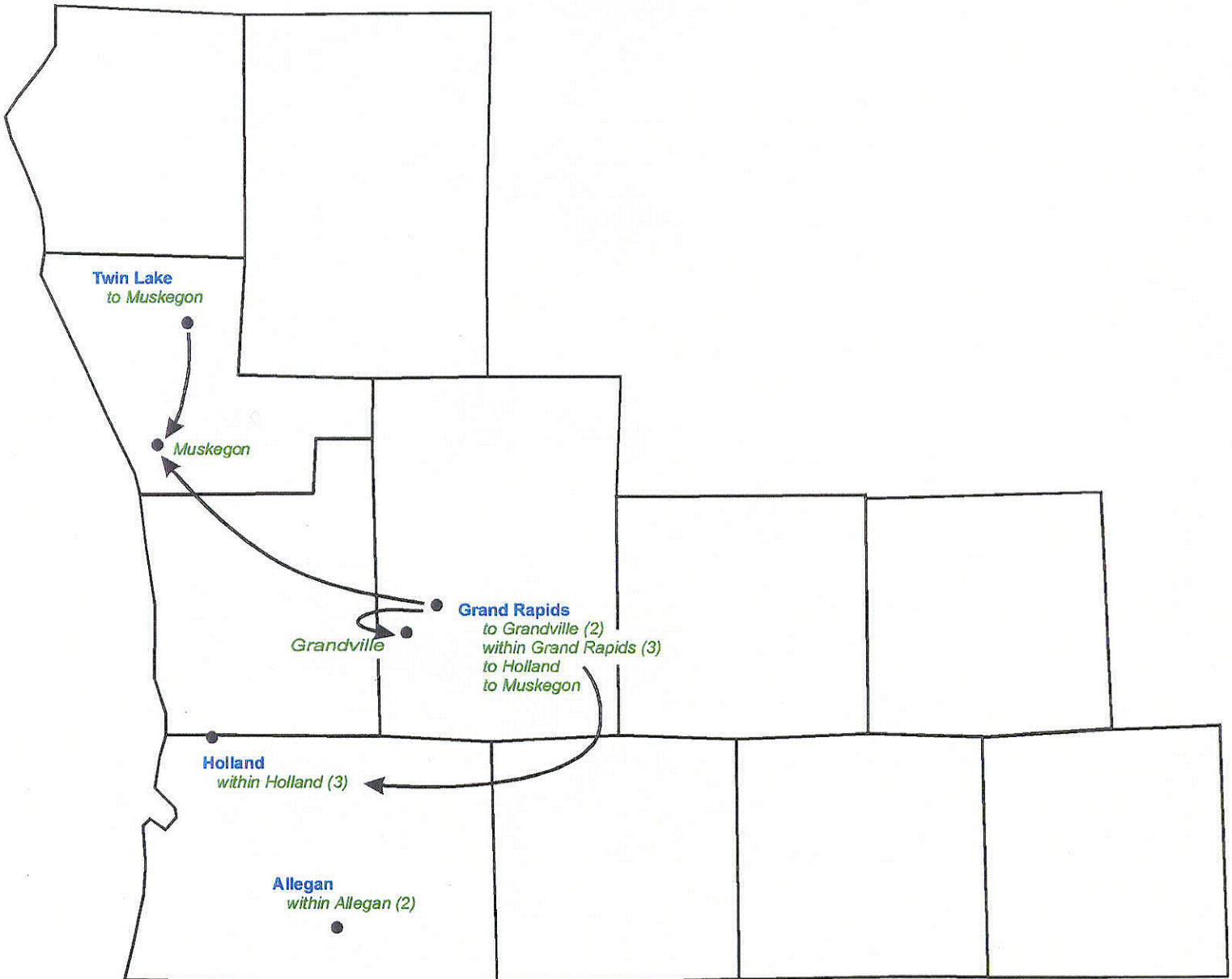
LEGEND

Origins in **Blue Ink**
Destinations **Green Ink**

Page 3 of 3

Prepared By: Specialized Technology
GRAPHICSMAPS\vanpool.cdr
Date Revised-Feb.2000

Western Destinations January 2000



LEGEND	Origins in Blue Ink Destination Green Ink
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